

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4274-01
BILL NO.: HB 1877
SUBJECT: Crimes and Punishment; Public Health
TYPE: Original
DATE: February 18, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)*	(Unknown)*	(Unknown)*

* - Costs expected to be less than \$100,000 annually

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator, Missouri Consolidated Health Care Plan, Department of Insurance, Department of Health, Department of Transportation, Department of Public Safety - Missouri Highway Patrol, and Department of Conservation** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General** assume any costs associated with the proposed legislation could be absorbed by their agency.

Officials from the **Office of the Secretary of State (SOS)** indicated the proposed legislation requires person who sell or market health-related discount cards in this state to file a statement designating a registered agent with the SOS. The SOS currently does not accept filings of this type. Information filed with the SOS is maintained on a mainframe computer system. In order to process and maintain this new type of information, programming changes would need to be made to the computer system. It is possible that additional, temporary FTE might be required in order to complete the programming changes. In addition, it is unknown how many filings of this type would be presented to the SOS. A large number of filings may require the hiring of additional staff and associated expenses.

Oversight assumes the costs for programming changes and staffing for the SOS would be less than \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Cost</u> – Additional staff and related expenses to process filings with SOS	(Unknown)*	(Unknown)*	(Unknown)*
* - Costs expected to be less than \$100,000 annually			

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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The proposed legislation would have a possible fiscal impact on small businesses engaged in the sale of health-related cash discount cards.

DESCRIPTION

The proposed legislation creates a cause of action for the fraudulent promotion of health-related cash discount cards. The proposal makes the marketing or distribution of such cards an unlawful merchandising practice. The person or entity issuing such a card is liable when: (1) the card fails to expressly state that it is not an offer of insurance; (2) the card is not specifically authorized by a separate account with the health care provider listed on the card; or (3) the discount offer is deceptive. Prevailing plaintiffs in such actions may be awarded: (1) \$10,000 or \$100 per card distributed in Missouri, whichever is greater; (2) three times the amount of any proven actual damages; (3) attorney's fees; (4) court costs; and (5) any other relief the court deems proper. The proposal sets forth provisions regarding jurisdiction, venue, and time limitations. The proposal does not apply to discount cards for eye or vision care services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of the State Courts Administrator
Missouri Consolidated Health Care Plan
Department of Insurance
Department of Health
Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Office of the Secretary of State
Department of Conservation



Jeanne Jarrett, CPA
Director
February 18, 2000